

McMAHON, DeGULIS, HOFFMANN & BLUMENTHAL

L.L.P., Attorneys at Law

Michael S. McMahon
Gregory J. DeGulis*

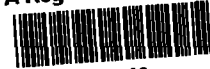
**also licensed in New York
and Massachusetts*

David S. Hoffmann
Michael R. Blumenthal
James V. Aveni

The Caxton Building
Suite 650
812 Huron Road
Cleveland, Ohio
44115-1126

216 621-1312 phone
216 621-0577 fax

EPA Region 5 Records Ctr.



275546

July 13, 1999

**FOR SETTLEMENT PURPOSES ONLY
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VIA OVERNIGHT MAIL

Sherry Estes, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Region V
77 West Jackson Boulevard (C-29A)
Chicago, IL 60604

Re: Skinner Landfill

Dear Ms. Estes:

As you may be aware, Sun Oil Company ("Sun") entered into a de minimis settlement agreement earlier this year with the Plaintiffs in the Skinner Landfill private cost recovery action in the United States District Court for the Southern District of Ohio. In addition to providing for settlement for Plaintiffs' claims regarding their past costs at the Skinner Site, that agreement requires certain of the Plaintiffs to seek to negotiate a de minimis settlement between Sun and the United States on behalf of the U.S. Environmental Protection Agency ("EPA"), that is at least as protective of the company's interest as are the terms of EPA's Model De Minimis Consent Decree set forth in the December 7, 1995 Federal Register.

It is Sun's understanding that EPA, Region V has now determined what information it will require in order to determine that Sun qualifies for a de minimis settlement at this Site. That information consists of: (I) the summary of each de minimis settlor's waste-in volume and percentage share of Site costs, as determined by the Allocator in the Final Allocation Report from the Skinner Alternative Dispute Resolution process, and (II) the narrative description of the Allocator's Findings for each de minimis settlor, as set forth in the Preliminary Allocation Report and, where the Allocator supplemented or altered those findings in the Final Allocation Report.


Sherry Estes, Esq.
July 13, 1999
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Accordingly, I am enclosing the information requested by EPA for Sun. I believe that this information amply demonstrates that Sun is entitled to a de minimis settlement consistent with EPA's Model De Minimis Settlement Decree. By making this settlement offer, Sun does not acknowledge any liability for response costs at the Skinner Site.

In order to ensure that Sun is able to avoid the incurrence of additional transaction costs in connection with the ongoing Skinner Cost Recovery Litigation, Sun strongly urges EPA to finalize an appropriate de minimis settlement as expeditiously as possible. Such timely action would fulfill the statutory objectives of Section 122(G) of CERCLA and EPA's de minimis settlement policies, as well as provide needed funds for response actions at the Skinner Site.

Sincerely yours,

McMAHON, DeGULIS, HOFFMANN
& BLUMENTHAL L.L.P.

A handwritten signature in cursive script that reads "Michael R. Blumenthal".

Michael R. Blumenthal

MRB/kmm
cc: Thomas Haines, Esq.

**Sun Oil Company
d/b/a Sunoco Oil Corp.**

Settlement Amount: \$2,000.00

Excerpt from Allocator's Preliminary Report :

No Sun facility was referenced in the nexus package and Sun was not sent a 104(e) information request letter from the U.S. EPA. However, a current Sun Maintenance Technician who worked for a company known as Miller Oil Equipment, now out of business, recalled in the mid-1970s taking old tires -- approximately four loads -- in a single axle one ton truck to the Skinner Landfill from a Sun facility on Reading Road in Cincinnati. He remembered that his supervisor had trouble locating a site that would take tires, but Skinner did. This is the only time he is aware of debris from Sun going to Skinner.

Sun identified 126 company owned or leased service stations within 25 miles of Skinner. The typical service bay type stations were operated by franchise dealers who were responsible for disposal of wastes from their service bay operations. None of these facilities was linked to the Site.

Sun also owns a location at 1708 Farr Drive, Dayton, Ohio which stored gasoline, diesel fuel and heating oil. Sun owned and operated this terminal. It was a product storage and distribution facility which also had the capability of blending lubricating oil. No refining or production activity was ever conducted at this terminal. Neither retired terminal personnel nor employed terminal personnel recognized the names on the list of transporters attached to the questionnaire. None of the terminal personnel could remember or locate files regarding waste disposal. In fact, none of the personnel had any information or knowledge relating to the Skinner Landfill.

Various contractors performed work at the terminal, but the contractors remained responsible for waste disposal.

Sun's records indicated that one facility owned by Sun (3905 Brotherton Road, Cincinnati, Ohio) used MVM, Inc. (Miami Valley Maintenance). Sun had no information that MVM functioned as a transporter. Sun's Maintenance Mechanics recall MVM as a repair contractor, calibrating dispensers, repairing equipment, etc., at other Sun stations. There is no indication that this work resulted in waste disposal at the Site. Sun otherwise found no information linking this facility to the Skinner Site.

Sun acknowledged the handwritten notation "King Kwik and Sun Oil" on receipts associated with an MVM job at a facility on 12 W. Wendel Road, Englewood, Ohio. Sun said that it did not own or operate this facility. The issue is not ownership or operation but arranging for disposal. MVM appears to suggest that Sun Oil was involved in the work (see the MVM discussion above). Ten cys of debris were associated with this job, according to MVM. For the time being, I am going to follow the protocol used elsewhere for waste disposed of at the Site by MVM and assign one-half of this amount to Sun. I invite MVM's and Sun's counsel to discuss the documents and to advise me how Sun was involved in this work.

Site Witnesses. No Site witness discussed Sun Oil as a source of waste that reached the Site.

Waste-in Amount. I am assigning Sun 5 cys based on the MVM documents. For the four loads of tires, I was not given any information on the volume of the tires. As a default, I am assigning Sun 40 cys (four loads x 10 cys per load). Hence, Sun's waste-in amount is 45 cys.

Final Allocation Recommendations in Alphabetical Order, Skinner Landfill Superfund Site, April 12, 1999

Name Of Party	Solid Waste In Cys	Liquid Waste In Gallons	Solid Waste In Total Cys 372906	Percentage	Liquid Waste In Total Gallons 262252	Percentage	Solid Waste	Liquid Waste	Owner/ Operator & Part of Chem Dyne	Rest of Chem- Dyne	Total
SUN OIL COMPANY D/B/A SUNOCO OIL CORP	45	0	372906	0.0121%	262252	0.0000%	0.00%	0.00%			0.00121%